

HOUSING AUTHORITY OF THE  
TOWN OF DELHI  
Delhi, Louisiana

Basic Financial Statements  
With Independent Accountants' Report  
As of and for the Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

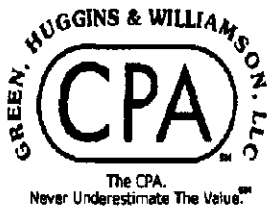
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**HOUSING AUTHORITY OF THE TOWN OF DELHI  
Delhi, Louisiana**

**Basic Financial Statements  
With Independent Accountants' Report  
As of and for the Year Ended  
December 31, 2006**

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## Green, Huggins & Williamson, LLC

3100 Knight Street, Suite 9  
Shreveport, LA 71105

[www.ghwcpas.com](http://www.ghwcpas.com)

Tim Green, CPA  
Charles E. "Chuck" Huggins, CPA  
Margie E. Williamson, CPA

Telephone: (318) 213-2200  
Facsimile: (318) 213-2201

Board of Commissioners  
Housing Authority of the  
Town of Delhi  
Delhi, Louisiana

We have compiled the accompanying basic financial statements of the funds of the Housing Authority of the Town of Delhi, as of the year ended December 31, 2006, and the related statement of revenues, expenses and changes in net assets for the year then ended, and the accompanying supplementary information as identified in the table of contents, which are presented only for supplementary analysis purpose, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of departures from generally accepted accounting principles that are described in the following paragraph.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

*Green, Huggins & Williamson, LLC*

Green, Huggins & Williamson, LLC

Shreveport, Louisiana  
June 27, 2007

HOUSING AUTHORITY OF THE TOWN OF DELHI

ENTERPRISE FUNDS  
Balance Sheet  
December 31, 2006

Statement A

**ASSETS**

Assets	
Current Assets	
Cash and cash equivalents	\$ 78,469
Total Current Assets	<u>78,469</u>
Capital Assets	
Property, plant and equipment (net of accumulated depreciation)	-
Total Noncurrent Assets	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>78,469</u></b>

**NET ASSETS**

NET ASSETS	
Unrestricted	\$ 78,469
NET ASSETS	<u>78,469</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>78,469</u></b>

See accountants' compilation report and accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF DELHI

ENTERPRISE FUNDS  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
For the Year Ended December 31, 2006

Statement B

OPERATING REVENUES	
Federal Grants - Operating	\$ 90,812
Other	<u>1,420</u>
Total Operating Revenues	<u>92,232</u>
OPERATING EXPENSES	
Administration	16,140
General expenses	433
Housing Assistance Payments	<u>57,621</u>
Total operating expenses	<u>74,194</u>
Operating Income (loss) from Operations	<u>18,038</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>950</u>
Total nonoperating revenues (expenses)	<u>950</u>
Change in Net Assets	18,988
NET ASSETS AT BEGINNING OF YEAR	<u>59,481</u>
TOTAL NET ASSETS AT END OF YEAR	<u>\$ 78,469</u>

See Accountants' compilation report and accompanying notes to the financial statements.

# HOUSING AUTHORITY OF THE TOWN OF DELHI

## ENTERPRISE FUNDS STATEMENT OF CASH FLOWS For the Year Ended December 31, 2006

Statement C

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Other Receipts	\$ 92,232
Payments to Vendors	-7,817
Payments to employees	-8,520
Payments to private landlords	<u>-57,621</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>18,274</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	<u>950</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>950</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19,224</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>59,245</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 78,469</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (loss)	\$ 18,988
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	749
Increase (Decrease) in:	
Accounts payable	<u>-513</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 19,224</b>

See Accountants' compilation report and accompanying notes to the financial statements

**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Delhi, serve a staggered term of five years without benefit of compensation.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of allowing the Housing Authority to assist very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market.

The Housing Authority has the following units:

	<u>Number of Units</u>
Section 8	40

The Governmental Accounting and Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* was issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing and analysis of the Assessor’s overall financial position and results of operations;

The accompanying financial statements of the Delhi Housing Authority are not presented in conformity with GASB Statement No. 34. A Management Discussion and Analysis does not supplement the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

**B. REPORTING ENTITY**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity. As defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. The Housing Authority is a related organization of the Town of Delhi since the Town of Delhi appoints a voting majority of the Housing Authority's governing board. The Town of Delhi is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Delhi, Louisiana. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Bunkie.

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

**C. FUNDS**

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected,



**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and providing goods in connection with a propriety funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are government grants. Operating expenses for propriety funds include the administrative costs of providing service and the housing assistance payments made on behalf of the residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. BUDGETS**

**General Budget Policies** The following summarizes the budget activities of the Housing Authority during the year ended December 31, 2006:

The Housing Authority adopted a budget for its HUD-funded program. The budget is controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners. All appropriations lapse at year end and must be reappropriated for the following year to be expended. Formal budgetary integration is employed as a management device during the year.

**Encumbrances** Encumbrances are not recognized within the accounting records for budgetary control purposes.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of market or cost.

**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

**F. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**G. CAPITAL ASSETS**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Furniture and fixtures

5 to 7 years

**H. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

**J. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

**NOTE 2 - FIXED ASSETS**

The changes in fixed assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
Total	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
Less: accumulated depreciation				
Furniture and equipment	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
Total	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
Fixed assets, net	<u>\$ 350</u>	<u>0</u>	<u>0</u>	<u>\$ 350</u>

**NOTE 3 - COMMITMENTS AND CONTINGENCIES**

**Contribution Disallowances** The Housing Authority operates in accordance with the requirements of an Annual Contribution Contract. The Housing Authority's noncompliance with such contracts may result in a reduction of funding from HUD.

**Litigation** The Housing Authority is not presently involved in any litigation.

**NOTE 4 - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**HOUSING AUTHORITY OF THE TOWN OF DELHI**  
**Delhi, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2006**

**SUPPLEMENTAL INFORMATION SCHEDULE**

HOUSING AUTHORITY OF THE TOWN OF DELHI  
Delhi, Louisiana

Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2006

The members of the Board of Commissioners serve a staggered five-year term and receive no compensation for meeting attendance. The Board consists of the following members at December 31, 2006:

Rev. Donny Pearson

Ed Coward

Lynn Lewis

Gloria King

W. B. Summer